



## NextDecade Provides Second Quarter 2024 Business Update

August 14, 2024

HOUSTON--(BUSINESS WIRE)--Aug. 14, 2024-- NextDecade Corporation (NextDecade or the Company) (NASDAQ: NEXT) today provided an update on developmental and strategic activities for the second quarter and early third quarter 2024.

### CEO Commentary

"NextDecade has recently made excellent strides toward achieving its dual goals of constructing Phase 1 at the Rio Grande LNG Facility safely, on schedule, and on budget, and progressing Train 4 expansion capacity toward a positive Final Investment Decision (FID)," said Matt Schatzman, NextDecade's Chairman and Chief Executive Officer. "We do not agree with the D.C. Circuit Court's recent decision to vacate the Federal Energy Regulatory Commission's (FERC) remand authorization of the Rio Grande LNG Facility. We are committed to taking any and all available legal and regulatory actions to ensure that Phase 1 will be delivered on time and on budget and that FID of Trains 4 and 5 will not be unduly delayed. The decision reached by the D.C. Circuit Court has far-reaching implications. If the ruling stands, the precedent that would be set by the Court's action has the potential to impact viability of all federally permitted infrastructure projects because it will be difficult for these projects to attract capital investments until they receive final unappealable permits."

"During the second quarter, we made excellent commercial progress for Train 4. We entered into a 20-year LNG sale and purchase agreement (SPA) with ADNOC, under which they agreed to purchase 1.9 MTPA of LNG from Train 4. We also entered into a non-binding heads of agreement (HoA) with Aramco for 1.2 MTPA of LNG, which we expect to convert into a binding SPA. These developments, alongside our expectation that TotalEnergies will exercise its LNG purchase option for 1.5 MTPA, lead us to believe that we will soon reach the necessary contracted capacity to commercially support Train 4. More recently, we finalized our negotiations with Bechtel and executed the EPC contract for Train 4 and related infrastructure with a contract price of approximately \$4.3 billion, which concludes one of the final pieces of work required before commencing the financing process for Train 4."

"Construction of Phase 1 at the Rio Grande LNG Facility continues to progress very positively. We are committed to working with Bechtel to ensure a safe and timely delivery of Phase 1. As we work through the impacts of the recent Court decision, we are committed to continuing construction on Phase 1 and progressing the development of Train 4 by securing financing and ultimately reaching a positive FID, once necessary regulatory resolution is in place."

### Significant Recent Developments

#### Construction

- Under the EPC contracts with Bechtel Energy Inc. (Bechtel), Phase 1 progress is tracked for Train 1, Train 2, and the common facilities on a combined basis and Train 3 on a separate basis. As of June 2024:
  - The overall project completion percentage for Trains 1 and 2 and the common facilities of the Rio Grande LNG Facility was 24.1%, which is in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 66.4% complete, procurement was 45.4% complete, and construction was 3.5% complete.
  - The overall project completion percentage for Train 3 of the Rio Grande LNG Facility was 7.8%, which is also in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 8.4% complete, procurement was 18.4% complete, and construction was 0.1% complete.

#### Strategic and Commercial

- In May 2024, the Company entered into a 20-year LNG SPA with ADNOC, pursuant to which ADNOC will purchase 1.9 MTPA of LNG from Train 4 at the Rio Grande LNG Facility for 20 years, on a free on board (FOB) basis at a price indexed to Henry Hub, subject to a positive FID on Train 4.
- In June 2024, the Company entered into a non-binding HoA with Aramco for a 20-year LNG SPA for offtake from Train 4 at the Rio Grande LNG Facility. Under the terms of the HoA, Aramco expects to purchase 1.2 MTPA of LNG for 20 years, on an FOB basis at a price indexed to Henry Hub. Aramco and NextDecade are in the process of negotiating a binding LNG SPA, and once executed, the SPA will be subject to a positive FID on Train 4.
- In August 2024, the Company entered into an EPC contract with Bechtel for Train 4 and related infrastructure with a contract price of approximately \$4.3 billion. Price validity under the EPC contract for Train 4 and related infrastructure extends through December 31, 2024.
- In July 2024, the Company appointed Tarik Skeik as Chief Operating Officer. Mr. Skeik has over 20 years of experience delivering complex global mega projects in LNG, oil, and petrochemicals across North America, the Middle East, and Asia. He led the completion and start-up of six greenfield assets, and his experience includes the planning and execution

through initial operation of projects including the Huizhou Chemicals Complex in China, Gulf Coast Growth Ventures in the U.S., Banyu Urip in Indonesia, Kearn Expansion in Canada, and QatarGas 2 in Qatar.

### *Financial*

- In June 2024, the Company's subsidiary Rio Grande LNG, LLC (Rio Grande) issued \$1.115 billion of senior secured notes in a private placement, and net proceeds were utilized to reduce outstanding borrowings and commitments under existing Rio Grande term loan facilities. These senior secured notes will be amortized over a period of 18 years beginning in September 2029, with a final maturity in September 2047. The senior secured notes bear interest at a fixed rate of 6.58% and rank *pari passu* to Rio Grande's existing senior secured financings. Including this transaction, the Company has now refinanced a total of over \$1.85 billion of the original \$11.1 billion Rio Grande term loan facilities since a positive FID was reached on Phase 1 at the Rio Grande LNG Facility in July 2023.

### *Regulatory*

- In August 2024, the U.S. Court of Appeals for the D.C. Circuit (Court) issued an order vacating FERC's remand authorization of the Rio Grande LNG Facility on the grounds that the FERC should have issued a supplemental Environmental Impact Statement (EIS) during its remand process. The Court's decision will not be effective until the court has issued its mandate, which is not expected to occur until the appeals process has been completed.
- At this time, construction continues on the first three liquefaction trains and related infrastructure (Phase 1) at the Rio Grande LNG Facility.
- The Company is disappointed in the Court's unprecedented decision and disagrees with its conclusions. The Company is reviewing the Court's decision and assessing all of its options, together with the key project constituencies, including its equity partners and lenders. The Company expects to take all available legal and regulatory actions, including but not limited to, appellate actions and other strategies, to ensure that construction on Phase 1 will continue and that necessary regulatory approvals will be maintained to enable the future construction of Trains 4 and 5 at the Rio Grande LNG Facility.

## **Rio Grande LNG Facility**

NextDecade is constructing and developing the Rio Grande LNG Facility on the north shore of the Brownsville Ship Channel in south Texas. The site is located on 984 acres of land which has been leased long-term and includes 15,000 feet of frontage on the Brownsville Ship Channel.

### *Phase 1 (Trains 1-3)*

Phase 1 at the Rio Grande LNG Facility is under construction. Phase 1 includes three liquefaction trains with a total nameplate capacity of 17.61 MTPA of LNG production, two 180,000 cubic meter full containment LNG storage tanks, and two jetty berthing structures designed to load LNG carriers up to 216,000 cubic meters in capacity. Phase 1 also includes associated site infrastructure and common facilities including feed gas pretreatment facilities, electric and water utilities, two totally enclosed ground flares for the LNG tanks and marine facilities, two ground flares for the liquefaction trains, roads, levees surrounding the entire site, and warehouses, administrative, operations control room, and maintenance buildings.

As of June 2024, progress on Trains 1 through 3 is in line with the schedule under the EPC contracts. Train 1 deep soil mixing has been completed and foundation pours are underway, including refrigeration compressor foundations. Additionally, steel erection for Train 1 is in process, and the first pipework has been placed in the Train 1 cryogenic rack. Train 2 deep soil mixing is in process, and delivery of key materials such as large bore above-ground pipe and structural steel has continued. LNG tank progress has been strong, with excavation, pile leveling, and rebar installation for Tank 1 underway and Tank 2 piling completed. The permanent water supply for the site has been fully constructed and is operational.

Bechtel has continued to make meaningful progress on procurement for Phase 1, with a focus on completing purchase orders for critical and high-value items early in the construction process. As of June 2024, Bechtel has issued approximately 92% of the total purchase orders for Trains 1 and 2 and approximately 88% of the total purchase orders for Train 3.

NextDecade holds equity interests in the Phase 1 joint venture that entitle it to receive up to 20.8% of the distributions of available cash during operations.

### *Final Investment Decision on Train 4 and Train 5*

Achieving a positive FID on Trains 4 and 5 at the Rio Grande LNG Facility will be subject to, among other things, maintaining requisite governmental approvals, finalizing and entering into EPC contracts, entering into appropriate commercial arrangements, and obtaining adequate financing to construct each train and related infrastructure.

The Company has finalized an EPC contract with Bechtel for Train 4 and related infrastructure.

The Company continues to advance commercial discussions with multiple potential counterparties and expects to finalize commercial arrangements for Train 4 in the coming months to commercially support an FID on Train 4. The Company entered into an LNG SPA with ADNOC for the sale of 1.9 MTPA of LNG from Train 4, as well as a non-binding HoA with Aramco for the sale of 1.2 MTPA of LNG from Train 4. The Company is working with Aramco to finalize a binding SPA. Additionally, the Company expects TotalEnergies to exercise its LNG purchase option for 1.5 MTPA of LNG from Train 4.

The Company expects to finance construction of Train 4 utilizing a combination of debt and equity funding. The Company expects to enter into bank facilities for the debt portion of the funding. In connection with consummating the Rio Grande Phase 1 equity joint venture, the Company's equity partners each have options to invest in Train 4 equity, which, if exercised, would provide approximately 60% of the equity funding required for Train 4. Inclusive of these options, NextDecade currently expects to fund 40% of the equity commitments for Train 4 and to have an initial economic interest of 40% in Train 4, increasing to 60% after its equity partners achieve certain returns on their investments in Train 4. The Company expects to take FID on Train 4 after commercial and financing arrangements are finalized.

The Company expects to progress the development of Train 5 after a positive FID on Train 4. TotalEnergies also holds an LNG purchase option for 1.5 MTPA for Train 5, and the Rio Grande Phase 1 equity partners have options to invest in Train 5 equity which are materially equivalent to their options to participate in Train 4 equity.

## **Investor Presentation**

NextDecade has posted an updated investor presentation to its website concurrently with this release. A copy of this release and the investor presentation can be found on its website at [www.next-decade.com](http://www.next-decade.com).

## **About NextDecade Corporation**

NextDecade Corporation is an energy company accelerating the path to a net-zero future. Leading innovation in more sustainable LNG and carbon capture solutions, NextDecade is committed to providing the world access to cleaner energy. Through our subsidiaries Rio Grande LNG and NEXT Carbon Solutions, we are developing a 27 MTPA LNG export facility in South Texas along with one of the largest carbon capture and storage projects in North America. We are also working with third-party customers around the world to deploy our proprietary processes to lower the cost of carbon capture and storage and reduce CO<sub>2</sub> emissions at their industrial-scale facilities. NextDecade's common stock is listed on the Nasdaq Stock Market under the symbol "NEXT." NextDecade is headquartered in Houston, Texas. For more information, please visit [www.next-decade.com](http://www.next-decade.com).

## **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of U.S. federal securities laws. The words "anticipate," "contemplate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "might," "will," "would," "could," "should," "can have," "likely," "continue," "design," "assume," "budget," "guidance," "forecast," and "target," and other words and terms of similar expressions are intended to identify forward-looking statements, and these statements may relate to the business of NextDecade and its subsidiaries. These statements have been based on assumptions and analysis made by NextDecade in light of current expectations, perceptions of historical trends, current conditions and projections about future events and trends and involve a number of known and unknown risks, which may cause actual results to differ materially from expectations expressed or implied in the forward-looking statements. Although NextDecade believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that the expectations will prove to be correct. NextDecade's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in NextDecade's periodic reports that are filed with and available from the Securities and Exchange Commission. Additionally, any development of subsequent trains at the Rio Grande LNG Facility or CCS projects remains contingent upon maintaining requisite government approvals, execution of definitive commercial and financing agreements, securing all financing commitments and potential tax incentives, achieving other customary conditions and making a final investment decision to proceed. The forward-looking statements in this press release speak as of the date of this release. NextDecade may from time to time voluntarily update its prior forward-looking statements, however, it disclaims any commitment to do so except as required by securities laws.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20240814408202/en/): <https://www.businesswire.com/news/home/20240814408202/en/>

## **Investors**

Megan Light  
[milight@next-decade.com](mailto:milight@next-decade.com)  
832-981-6583

## **Media**

Susan Richardson  
[srichardson@next-decade.com](mailto:srichardson@next-decade.com)  
832-413-6400

Source: NextDecade Corporation